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Classified By: (U) Ambassador Laurie S. Fulton; reason 1.4 (b, d)

- (C) SUMMARY: Prime Minister Rasmussen's November 2 visit to Moscow at the invitation of Prime Minister Putin demonstrated that Denmark and Russia have reset their relationship. This was the first such meeting since 2002, when relations soured after Denmark allowed Chechens to hold a conference here. Putin appreciated Denmark's recent approval for the Nord Stream gas pipeline to pass through its territorial waters. Very focused on economic development, Putin was eager for cooperation with Danish firms in many areas, notably energy, including wind and energy efficiency. On Arctic cooperation, the Russian side made clear it wants the five littoral nations to lead. On climate change, the Danes came away expecting Russia not to make trouble at COP-15, but not to be as active or ambitious as they would like. Putin hoped ISAF would succeed in Afghanistan. He was most vehement when discussing Ukraine, which he insisted has the ability to pay for the gas it imports from Russia, but is not doing so. President Medvedev is due to make a state visit here in April. END SUMMARY.
- (C) Lisbet Zilmer-Johns, Senior Advisor in the Prime Minister's Office, gave Pol-EconCouns a readout November 4 of Prime Minister Lars Loekke Rasmussen's November 2 visit to Moscow at the invitation of his Russian counterpart Vladimir Putin. She said it was a good visit that demonstrated Russia and Denmark have reset their relationship, which had soured in 2002 when Denmark allowed Chechens - "not terrorists" - to hold a conference here. Then-President Putin had cancelled a state visit here in retaliation, and there had been no substantive bilateral meeting at leader level since then. A September 16 telephone conversation broke the ice, with Rasmussen indicating that a decision was imminent on the proposal to run the proposed Russian-German Nord Stream gas pipeline through Danish territorial waters. That decision, which Zilmer-Johns insisted was "administrative, not political," was duly made in the affirmative and announced by the Danish Energy Agency on October 20. On October 1, the Danish firm DONG Energy had reached a deal with Gazprom to buy an additional one billion cubic meters of Russian gas per year for 18 years and transport it through that pipeline. This, Zilmer-Johns noted, will allow DONG to export gas from the North Sea to the UK, Sweden and the Netherlands. The discussion of gas triggered Putin's greatest vehemence, regarding Ukraine, which he accused of not paying its gas bills even though it had the ability to pay.

- ¶3. (C) Economic development was clearely Putin's focus. He was very keen for cooperation with Danish firms in many areas, notably energy (including wind and energy efficiency). He seemed interested to hear details of Russian bureaucratic obstacles to investment.
- 14. (C) On Afghanistan, Putin expressed support for ISAF and international engagement, hoping the coalition would be successful. He was sorry about the coalition's losses. This, Zilmer-Johns said, was a welcome change in attitude: previously, the Danes had sensed a certain Russian pleasure in U.S. and allied casualties. This was no longer the case; Moscow perceives that Chechen separatists receive Taliban support from safehavens in Pakistan.
- 15. (C) Arctic cooperation was discussed. The Russian side made clear its position that the five Arctic littoral countries should lead. The Russians were pleased with the Ilulissat agreement of June 2008, that overlapping claims be resolved on the basis of international law of the seas and international agreements.
- 16. (C) On climate change, Rasmussen did get Putin's promise to be personally engaged, but the Russian was short on specifics and did not promise to attend COP-15 personally. The Danes came away with the sense that Russia "needs to raise its ambitions" but probably will not, as it is way ahead of its Kyoto target: emissions are down 30 percent from 1990 due to economic collapse. At least the tone has changed, Zilmer-Johns observed: a few months ago (when Climate Minister Hedegaard visited Moscow) the Russians were openly skeptical that climate change was an issue, but now they seem to be convinced it is real. The Danes expect Russia probably will not cause trouble at COP-15, as Russian Ambassador to Denmark Teymuraz Ramishvili assured the local media.
- 17. (C) President Medvedev is due to make a state visit to Denmark in April 2010. Apart from its symbolic significance, the visit will focus on commercial and cultural ties. Zilmer-Johns explained that the two countries share a long history of relations. The last czar's mother was a Danish princess; she fled at the revolution and returned to Denmark where her brother the king gave her a palace. Many members of the Russian royal family moved here. A couple of years ago, the czarina's body was returned to Russia and interred with great pomp beside that of her husband in Saint Petersburg.
- 18. (C) Zilmer-Johns credited the U.S. reset of ties with Russia with facilitating Denmark's own reset. She commented that NATO SecGen (and ex-PM of Denmark) Anders Fogh Rasmussen had also helped by prioritizing the strengthening of NATO-Russia relations. FULTON